FBIS DAILY REPORT

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MONGE EXPLAINS REGIONAL FOREIGN MINISTERS MEETING

PA030421 San Jose Radio Reloj in Spanish 0100 GMT 3 Sep 85

[Text] Foreign Ministers Fernando Andrade of Guatemala, Rodolfo Castillo of El Salvador, and Edgardo Paz Barnica of Honduras will be received by President Luis Alberto Monge tomorrow [3 Sep]. Beginning early in the morning, the foreign ministers will take part in work sessions to analyze the situation in Central America with a view toward the Contadora Group meeting to be held on 10 September. The president said a time for receiving the visiting foreign ministers has not yet been set, but that the matter is being coordinated with Foreign Minister Carlos Jose Gutierrez.

Regarding the purpose of the meeting of foreign ministers of Central America, with the exception of Nicaragua, President Monge said that Costa Rica has always felt it necessary to coordinate actions prior to the meetings of the Contadora Group. We feel that we have common interests and that there is a need to reach agreements in order to be present at the meetings of the Contadora Group. Therefore, this is but one of the meetings that have been held on other occasions. Monge said that rather than being aimed at establishing strategies the meeting is aimed at reaching agreement on fundamental issues. It is like arriving at the signing of the famous peace document.

Our country fully meets all requirements in the peace document for Central America, President Monge said, adding that, for us, signing it is no problem. The only observations made by Costa Rica that were regarded as pertinent were that those commitments require international supervision in order to strengthen them. In this sense, the president said that Costa Rica holds this same position and is prepared to sign the peace document the moment all of the countries assume the same obligations and responsibilities.

HONDURAS' PAZ BARNICA VIEWS CONTADORA PROCESS

PA032243 Panama City ACAN in Spanish 1838 GMT 3 Sep 85

[By Wilfredo Chacon S.]

[Text] San Jose, Aug [date as received] (ACAN-EFE) -- The Honduran foreign secretary, Edgardo Paz Barnica, said today that the Contadora Group is obliged to be "firmer" toward Nicaragua. Paz Barnica arrived today in this capital to meet with his counterparts from El Salvador, Guatemala, and Costa Rica to set up their meeting with the Contadora Group, which will take place next week in the Panamanian capital.

Paz Barnica, who was the first to arrive in the country, said that "should Nicaragua not react positively within the negotiations to achieve the signing of the Contadora Document, the peace process will remain at a standstill." Paz Barnica said that the situation obliges Colombia, Mexico, Panama, and Venezuela (the Contadora Group) "to be firmer with Nicaragua."

Salvadoran Foreign Minister Rodolfo Castillo Claramount and Guatemalan Deputy Foreign Minister Gustavo Santizo Galvez, who is representing Foreign Minister Fernando Andrade Diaz-Duran, abstained from making any statements upon arrival at the airport. The Guatemalan Embassy in this capital said that Andrade Diaz-Duran, who had pledged to participate in the meeting, decided to withdraw at the last minute because of current social agitation in Guatemala.

Although the main focus of the meeting will be an analysis of negotiations within the framework of the Contadora peace process, Costa Rican Foreign Minister Carlos Jose Gutierrez announced the discussion of two other issues. One of them is the continuation of relations and ties with the EEC, which began during a meeting held 1 year ago in this capital. ACAN-EFE was told today that there is interest in taking the initial steps prior to an upcoming meeting between Central American countries and the EEC, slated for mid-November in Luxembourg. In addition, Gutierrez will explain to his counterparts "the viewpoints of the Costa Rican Government in the face of Nicaraguan aggression."

The meeting will end on Wednesday to allow each diplomatic representative time to present and analyze the current situation in their respective countries.

In local political circles it is said that Nicaragua is absent from this regional diplomatic summit for "obvious reasons," because the Sandinist government was convoked to a similar meeting several months ago and "it did not even acknowledge receipt of the invitation." Therefore, that country was not invited this time. Although no agreements have been reached yet, some diplomatic observers said that an objective of this meeting will be to ask the Contadora Group to force Managua to respect the decision of the majority.

FOREIGN MINISTERS DISCUSS CONTADORA, NICARAGUA

PA040317 San Jose Radio Reloj in Spanish 0100 GMT 4 Sep 85

[Text] The Salvadoran and Honduran Foreign Ministers Rodolfo Castillo Claramount and Edgardo Paz Barnica have said that Nicaragua is to be held responsible for the fact that the Contadora process has not advanced and that peace has not been attained in the region. They also said that the Nicaraguan Government has not contributed its political willingness. This statement has also been expressed by Costa Rican Foreign Minister Carlos Jose Gutierrez at other times. Once again, he said that Costa Rica is willing to sign the peace document at any time.

At noon today, the Salvadoran and Honduran foreign ministers and the Guatemalan deputy foreign minister met with President Luis Alberto Monge to consider the regional situation and exchange views on the president's proposals to the Central American heads of state. These proposals have been personally (?presented) by Vice President Armando Arauz.

According to Paz Barnica, it is necessary for Nicaragua to fulfill basic outlines that will permit the achievement of peace, and in addition to express political willingness in order to attain peace in the region and to sign the Contadora peace document. Nicaragua must reduce its armament, open a dialogue with armed opposition groups, establish national reconciliation, and pledge to set up verification and control systems to meet demands of the peace document. The Honduran minister stressed: Without these elements, it is impossible to achieve real, genuine peace in Central America.

During the meeting, which will continue tomorrow, the Salvadoran, Honduran, and Costa Rican foreign ministers and the Guatemalan deputy foreign minister will analyze Central America's problems and the problems' relationship to the Contadora Group. Gutierrez said that they will also define the stance that the area countries will assume during the coming meeting with the EEC, which is to be held in Luxembourg. Gutierrez stressed that the result of this meeting will only be announced tomorrow. At the same time, a letter will be sent to the Contadora foreign ministers through the ambassadors of these countries in San Jose.

Castillo described the efforts to find peace in the region as an opportunity for dialogue, and added that, for this reason, the Contadora Group deserves total respect and support from his government. He said: We are convinced that dialogue is the only way to have reason prevail over violence. He added that during the Central American foreign ministers' meeting in San Jose very important decisions for peace could be reached. The Salvadoran foreign minister pointed out: In this meeting, we seek to reach the proper decisions as Central Americans who are directly affected. We are working in this direction.

Paz Barnica said: A single requirement is lacking for the Contadora process to move forward, and that is a positive response from Nicaragua to the peace document's pledges. According to Honduras, the Contadora Group must move forward. Hence, Honduras supports the group despite the group's merits and faults. Paz Barnica, however, describes the Contadora effort as a complex negotiation process. He considered that all efforts are to be made toward peace. He warned, however, that it is necessary for Nicaragua to clearly express political willingness.

CONTADORA, SUPPORT GROUP TO MEET IN ANGOLA

PA301545 Panama City LA REPUBLICA in Spanish 29 Aug 85 pp 1, 6

[By Demetrio Olaciregui]

[Text] Panamanian Foreign Minister Jorge Abadia reported today that the Contadora Group and the support group, which is composed of Argentina, Brazil, Peru, and Uruguay, will meet again in Luanda next week within the framework of the ministerial meeting of the Nonaligned Movement. The purpose of the meeting in Luanda is to draft the agenda for the meeting of heads of state and government scheduled to be held in Buenos Aires, Argentina, in 1986. The previous conference was held in 1983 in New Delhi, India.

Foreign Minister Abadia said that the crisis in Central America will be a priority item in the discussions of the Luanda meeting, in which Deputy Foreign Minister Jose Maria Cabrera will participate on behalf of Panama.

The Contadora Group, which is made up of Mexico, Colombia, Venezuela, and Panama, met over the weekend in Cartagena, Colombia, with the support group that was created in Lima in late July in order to determine what actions they will promote jointly to culminate their peace efforts in Central America.

IBERO-AMERICAN PARLIAMENTARY MEETING HELD

FL1310227 Mexico City NOTIMEX in Spanish 0150 GMT 31 Aug 85

[Text] Mexico City, 30 Aug (NOTIMEX) -- Representatives from 10 countries, including Mexico, which are part of an Ibero-American parliamentary bloc, today held a meeting here prior to the 74th conference of the Inter-Parliamentary Union to be held from 2 to 7 September in Ottawa, Canada.

The Mexican delegation attending the event, where 103 countries' representatives will gather, will be headed by Senator Patrocinio Gonzalez Blanco Garrido.

During today's preliminary meeting, the agenda was agreed upon, including matters such as the public debt and the parliament's contribution to the international year of youth.

It was decided to give special attention to granting youth its full rights, incorporating the Venezuelan-Mexican project regarding the United Nations Education, Scientific and Cultural Organization, UNESCO. It was also decided to discuss the development of judicial measures to combat international drug trafficking, including the creation of a new UN Narcotic and Drug Commission.

ANDEAN PACT VIEWS REGION'S FOREIGN DEBT

PY301328 Madrid EFE in Spanish 0445 GMT 25 Aug 85

[Excerpt] Lima, 24 Aug (EFE) -- The implementation of the IMF adjustment programs has had increasingly negative effects on production levels, employment, and social stability in the Andean Pact countries (Bolivia, Colombia, Ecuador, Peru, and Venezuela). This is the conclusion of a report on the Andean nations' indebtedness that the Pact just released.

It is paradoxical, the report states, that while Latin America and the Andean Pact nations are trying to strengthen democracy, the international financial community is imposing economic measures that affect social sectors and encourage antidemocratic trends in the region.

According to the report, in 1984 the Bolivian inflation rate surpassed 12,000 percent, and the fiscal deficit reached 60 percent of the country's gross domestic product (GDP). The deficit was as high as three times Bolivia's export income, which was less than $700 million that year, compared to the $1-billion income of 1980. On 31 June, Bolivia's overdue obligations stood at $588 million.

One of the problems that has more adversely affected the Bolivian indebtedness is the permanent reduction of the price of its exports, particularly natural gas and minerals. Bolivia's overdue obligations will reach $1.269 billion in 1985, while its export income is expected to reach $780 million the same year.

Colombia is one of the few Latin American countries that has been able to meet its foreign debt obligations. The Colombian foreign debt, estimated at $12 billion, is equivalent to 29 percent of the country's GDP. This is a low percentage in comparison with the Latin American average of 70 percent.

In 1984, Ecuadoran exports grew an unprecedented 17 percent with respect to 1983, and this country's GDP grew 3 percent. Among the countries with lower debts, Ecuador has been the only nation that could renegotiate its debt in an orderly fashion. Ecuador has rescheduled all the payments coming due over the next 5 years, which amount to $4.629 billion, or 94.72 percent of its debt. The Ecuadoran debt will be repaid over a 12-year period, with a 3-year grace period. In the past, only Mexico and Venezueala could conclude this type of agreement. Ecuador will save $200 million thanks to the renegotiation. Peru is confronting difficulties in the rescheduling of its $13.5 billion debt. The private and public sectors are responsible for 25 and 75 percent of this debt, respectively. The overdue Peruvian obligations are expected to reach $3.7 billion in 1985. This figure surpasses Peruvian exports, which may amount to $3.1 billion. Thus far, Peru has not been able to reach an agreement with the Paris Club. It also has been unable to formalize the agreements signed with private banks in 1984 because of its failure to reach the IMF targets. The current Peruvian administration has announced that it will do without the IMF and that it will begin repaying the debt in February 1986 with only 10 percent of its annual export income. The previous government planned to use at most 30 percent of the country's annual export income to repay the debt.

ALFONSIN OUTLINES ECONOMIC INDUSTRIAL STRATEGY

PY031909 Buenos Aires Domestic Service in Spanish 0106 GMT 3 Sep 85

[Speech by President Raul Alfonsin to industrialists at dinner marking Industrial Day at the Argentine Rural Society in Buenos Aires -- live]

[Excerpts] Messr President and members of the Board of Directors of the Argentine Industrial Union, Mr President of the Chamber of Deputies, Mr Chief Justice, officials, ladies and gentlemen: Let me begin by making some comments on the great effort we started on 14 June with the implementation of our economic reform plan. Through an all-out attack against inflation at all levels, the government has regained the ability to regulate the major economic factors and, consequently, the ability to formulate an economic policy.

Today, on 2 September 1985, no one can deny that we have made progress. Today, the Argentine economy is functioning much better than it did in May and July. Without major complications, we have resolved the serious problems posed by the sharp decline in inflation, which had gone as high as 30 percent in contractual bargaining. We have maintained the price system adopted in mid-June through timely adjustments and without overwhelming pressure. We have also begun to reverse the drop in both productive activities and employment and we have managed to avoid a sharp drop in salaries.

Although these results are important, they are still partial. We must continue to make progress. The prevailing high interest rates reflect, on the one hand, the persistence of inflationary pressure and, on the other, the difficulties we are facing to bring order into the fiscal and financial sectors.

The government does not conceive the state as a mere observer of our economic reality. We are already achieving one of our reform objectives, that of being able to plan our economy. This first means to design measures and strategies to urgently rebuild an ailing economy, one which was dangerously undermining the creative ability of the Argentine people.

It was urgent for us to regain control of the economy. Thus we undertook this task in the awareness that only by correcting errors and by creating new, clear, reliable, and effective rules can one start to think of the future. We do not intend to maintain the price freeze indefinitely. On the contrary, we believe we should make prices and salaries more flexible. The objective is thus to seek sound formulas that would not disrupt the atmosphere of stability that was achieved through everyone's mature, dedicated cooperation.

We are now entering a new era, that is, we are getting back on that course that the country should never have left to guarantee its future. Through stability, we will also be able to regain our capacity to grow in new, different areas.

Through economic stability, we will also be able to formulate a sound policy on foreign capital. Our recent experience has shown us that the inflow of foreign capital is not dependent on whether the foreign investment law grants greater or lesser concessions. It is in fact based on the existence of a stable framework of clear-cut rules and the prospects of good business both on the domestic and foreign markets.

The issues we have succinctly reviewed are an integral part of our industrial policy. Our economic reform will certainly yield its best and most far-reaching results with the adoption and formulation of a strategy for industrial and technological development, which should encourage all resourceful businessmen to undertake risks in an effort to promote industrialization.

We conceive this industrial strategy based on several main guidelines:

A. A significant increase in domestic investments in productive activities, especially those capable of considerable further expansion and of being economically profitable and socially beneficial. The responsibility for increasing these kinds of investments will fall mainly on the shoulders of the private sector.

B. Sustained growth of industrial exports with more value added and the progressive penetration of Argentine products into international markets. The recent measures implemented to correct the anti-export trend of the economy and several other measures that will be announced in the near future are targeted at these objectives. Now is the time for creativity and fruitful work. Now is the time for launching a process of swift, but not irrational, industrialization. The world is not at war and development formulas cannot include the closing down of borders or the rejection of multilateral trade and cooperation. The objective is to play an honest and respected role in a highly diversified international market. There is no sense in engaging in irrational competition, remaining stagnant, or following an erratic course, stubbornly dreaming about a lost destiny or about the impossibility of building a giant nation. What we must do right now is develop our countless resources and enormous potential, take advantage of the true assets of this land, while creating at the same time innovative development formulas in keeping with the current times.

C. The reorganization of activities plagued by structural restrictions so as to attain internationally acceptable levels of competitiveness. We must be absolutely clear-cut in this regard. It will be impossible to maintain a steady flow of industrial exports in the future if we do not have an efficient economic framework capable of supplying intermediate components, for which there is great demand throughout the world at internationally competitive prices. If we agree that the crisis we are now coming out of has no precedent in our history, in terms of either scope or seriousness; if we are willing to realize that this is not just an economic reorganization, which is necessary but not sufficient by itself; and in sum, if we are convinced that we cannot address the task of rebuilding and modernizing the nation from material foundations that have been destroyed or have become obsolete and that the giant task that lies ahead of us is not a struggle to maintain mediocre standards but rather to build a modern and thriving nation; if this is what we want, and I am sure that you share my convictions, we cannot take the traditional approach for the reactivation of the productive infrastructure. The challenge that growth poses is much broader and aspiring because we are aware that the nation will not take off through completely obsolete growth formulas. There is no future in merely staying alive. Thus, we must not only stop our headlong plunge but also seek the path toward greater prosperity, which means that we must come up with a new growth formula.

D. The building up of technological capabilities and training in the enterprises to keep in stride with the rest of the world. This drive must be backed by the development of a public and private research and development infrastructure in which the National Institute of Industrial Technology will play the leading role. The industry of the future will rely on intelligence; let us protect and encourage this irreplaceable matter which can be exploited in full only within the framework of a fair and stable democratic society. This precious matter requires freedom, respect, and honesty to retain its sharpness. It is the only matter that will not tolerate abuse or arbitrary handling; it cannot be beaten into a mold without losing part of its efficiency. This proves that it is more valuable than any other matter, even gold and iron. Intelligence is also a matter capable of generating endless energy. Man is the only source of this matter, and the only rational and feasible system within which we can organize in a productive way is democracy.

E. The development of the small and medium-size enterprises under conditions of greater competitiveness will depend on their ability to adapt to different circumstances in order to fulfill their strategic role within the productive infrastructure. To achieve this it will be necessary to implement measures mainly directed at endowing these enterprises with greater felxibility and dynamism, with the ability to set into motion human, capital, and technological resources and with access to regional markets.

The industrial strategy we have outlined is both ambitious and realistic. It is ambitious because it seeks to actively propel Argentine industry into the decisive phase of technological changes that are taking place at this time; it is also realistic because it takes into account the scarcity of resources for investment; because it acknowledges that all industrial activities must be competitive; because it is aware of the need to gain access to foreign markets and of developing comparative advantages in the future through specialization; because it is not ignoring the fact that the sectors involved in the development of a modern, dynamic, and efficient industrial infrastructure are closely intertwined; and finally, because this policy provides for the fact that the domestic market plays a significant role as the launching pad for new products and the breeding ground for new activities.

We should be very careful not to become the recipients of obsolete production systems and technologies that have already become unproductive in developed countries. To undertake a sound industrialization program, we must have highly trained human resources. Availability of both natural and human resources in the traditional sense is no longer enough. If we do not have full access to modern technologies, we will fail again.

Investment in professional training should be intensified to undertake a sound, integrated industrialization program in our country. We fortunately have the human resources required to initiate this task. In previous decades, we experienced the steady drain of many experts and scientists who, in order to develop their talents and to exercise their profession, had to travel the painful path to exile. Our losses stemming from the brain drain were as high as those stemming from our unused or inadequately exploited natural resources, and were perhaps equal to or higher than those stemming from the capital transferred abroad by some to obtain larger profits in developed economies.

We must stop these losses and promote a turnabout of tendencies to recover what is recoverable and to avoid further losses in the future. We can no longer afford to continue squandering capital and natural and human resources. But to prevent all this, it will not suffice to make just unilateral decisions. We must also promote true changes in our national economic system.

To promote, to strengthen, and to guide the re-industrialization process, the national government will undertake a policy that will rationally use tariffs as instruments to promote and to protect national products. This policy should also effectively apply the fiscal resources society is willing to supply to develop industries, should use credit without disrupting the overall macroeconomic balance that is needed in a policy designed to promote growth, should clearly outline the amounts earmarked for the various programs and activities, and should assign fiscal and credit resources to those projects that are consistent with the overall industrial strategy.

Bearing this objective in mind, the government will agree to adjust relative prices that are in line with a policy of growth and will provide the necessary incentives to ensure allocations of resources that will be both socially and economically effective. In this framework, it will be up to each businessman to seek the best possible productive and technological alternatives without waiting for the government to designate by decree which items should be produced and which technology should be used.

It will be up to the government, however, to establish those requirements that any project should meet to merit governmental support, either through reductions, social contributions, or protective measures. The objectives and guidelines we have outlined will of course require an industrial secretariat that should be capable of implementing them. To this end, we intend to broaden the jurisdiction of the Industrial Secretariat by removing those restrictions that are limiting its ability to formulate policies and to translate them into specific government acts.

Thus, these major transformation goals should be tenaciously sought by all sectors involved in productive activities, especially by the organizers of this activity, that is, the businessmen. Many of you have already begun to face this challenge despite the limitations created by 50 years of confusion and error. You have started to plan, to project, and to organize productive activities on a new technological and marketing scale. The challenge posed before you today is none other than that of participating with aggressiveness, confidence, and patriotism in something that is no longer an impossible dream: the construction of a modern Argentina. [applause]

CAPUTO LEAVES FOR LUANDA, COMMENTS ON MEETING

PY032244 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1130 GMT 3 Sep 85

[Text] Buenos Aires, 3 Sep (NA) -- Foreign Minister Dante Caputo has affirmed that for president of the Nonaligned Movement, Argentina will support a country "clearly identified" with the principles of that Third World group. He also expressed his disagreement with a document Angola has issued on the foreign debt. Caputo tonight left for Luanda, Angola, for a meeting of the Nonaligned Movement. During the meeting, one of the member countries, probably Yugoslavia, will be elected to succeed India, which is now president of the movement. The minister stated that the meeting "will be very important" because it will discuss a document issued by Angola that deals with the foreign debt of the developing countries and the Central American conflict, among other subjects. He added that he will take the opportunity to discuss Argentine sovereignty over the Malvinas Islands with Third World foreign ministers.

When asked his opinion of the document issued by Angola, particularly about its references to the debt problem in the developing countries, the minister said at a press conference at Ezeiza International Airport that "we disagree with many of its statements." Caputo said that "the nonaligned should basically support regional initiatives and not contradict them." He added that "nonalignment is a fundamental issue for our countries and should not be tinged with inclinations toward one bloc or the other, as unfortunately sometimes happens."

He stressed that another of the important topics to be discussed is apartheid. He explained that Argentina "has practically suspended trade with South Africa," and that "we are complying with the resolutions of the United Nations" condemning the Pretoria government. Caputo reasserted that Argentina "has never been a candidate for the presidency of the Nonaligned Movement," and although he did not say whether Argentina will support Yugoslavia for the presidency, he stated that it will vote for a nation that "has clearly supported the principles of nonalignment."

PERUVIAN FOREIGN MINISTER ARRIVES IN BUENOS AIRES

PY021858 Buenos Aires Domestic Service in Spanish 1600 GMT 2 Sep 85

[Text] Peruvian Foreign Minister Allan Wagner Tizon has arrived in Argentina. The minister will continue his trip to Luanda accompanied by Foreign Minister Dante Caputo. In Luanda the minister will attend the meeting of the nonaligned countries. In statements made at Ezeiza International Airport, Wagner expressed his hope that an analysis could be made at the meeting of the critical situation of international relations. He added that it was important to find some guidelines to take to the UN General Assembly.

FINANCE MINISTER DELIVERS SPEECH TO CONGRESS

PY301658 La Paz Radio Illimani Network in Spanish 2320 GMT 29 Aug 85

[Speech by Finance Minister Roberto Gisbert to the National Congress -- live]

[Excerpts] Honorable presidents of the National Senate and Chamber of Deputies, honorable members of Congress: Because of the serious situation the country has been facing, we first had to make an evaluation of the economy before adopting measures. I will tell you point by point what the situation was until yesterday so that you can be aware of it.

According to the consumer price index the inflation rates for 1982, 1983, and 1984 were 123.5 percent, 275.5 percent and 1,281.3 percent, respectively. From 31 December 1984 to 11 August 1985 the rate of inflation reached 4,034.5 percent. Under this trend the rate of inflation this year could have reached 44,134.5 percent.

This high inflation rate is the result of the high fiscal deficit and speculation. Speculation is the result of the lack of confidence in the financial system because of inadequate use of monetary policies. This occurred because Decree No 19,249 was maintained and negative interest rates in real terms were allowed.

The problem of the foreign debt is caused by the high cost of servicing the debt, which in practice cannot be covered by exports. This is the reason why the unpaid debt up to 30 June 1985 is $927.9 million. Of this amount $269 million is [passage indistinct]. In the first half of 1985, $194.3 million was used to service the public debt. However, $430.4 million should have been paid for amortization and interest. This service could not be covered with all our exports of goods and services, which during that period did not reach $350 million. The unpaid foreign debt creates a problem in the balance of payments, which in turn creates the need to renegotiate the debt. The negative balance of payments was financed along with the unpaid debt through a special account for the balance of payments. The negative balance of payments for 1982, 1983, and 1984 wad $456 million, $579.4 million, and $460.2 million, respectively.

The high rate of inflation and the drop in investments created a high unemployment rate. The rate of unemployment was 9.7 percent in 1981, but in 1984 this rate increased to 15.1 percent. The factors that determined the economic problems were a high fiscal deficit, distortions in price structure, and inadequate monetary and exchange policies. With regard to the problems of investments, the resources available were not assigned properly. This is also one of the main reasons for the high foreign debt, which cannot be paid.

The investments made by public enterprises were not profitable. From 1975 to 1979 Bolivian Government Oil Deposits [YPFB] doubled its foreign loans while oil production was considerably reduced. Large investments were made in refineries when it was not possible to export oil and its by-products. It was believed that from 1976 to 1979 Bolivia could export oil worth approximately $1.105 billion but this figure was not attained because beginning in 1977, oil production was considerably reduced. Therefore, oil exports only amounted to $226.5 million during that period, and Bolivia did not export any oil in 1980.

Other large investments included the Carachipampa metallurgical plant and the Villa Montes cooking oil plant. There were several other large investments that did not produce any profits, thus increasing the Bolivian foreign debt. As the investments did not produce any profits to pay the debts contracted abroad the current administration was not able to service them.

GOVERNMENT INITIATES FLOATING EXCHANGE SYSTEM

PY030049 Paris AFP in Spanish 2045 GMT 2 Sep 85

[Text] La Paz, 2 Sep (AFP) -- The Bolivian Central Bank today fixed the dollar exchange rate at 1,100,000 Bolivian pesos, thus devaluating the peso by 1,366 percent in the first day of public sales and purchase of foreign currency. The new floating exchange system began today amid confusion at the Central Bank, which, after receiving purchase proposals that were less than the prices set by the Reserve and Exchange Committee, decided not to carry out any operations today and to open for transactions tomorrow. The last official dollar exchange rate last week was 75,000 pesos per dollar while the black market dollar was priced at 1,200,000 pesos.

It was reported that the single, real, and flexible foreign currency exchange rate will be set on Tuesdays and Thursdays based on the official supply of dollars and the demand by individuals or businesses. The Central Bank today offered $7 million at 1,100,000 Bolivian pesos, and $400,000 were bought at rates that fluctuated between 800,000 to 1.01 million Bolivian pesos. The decision to apply a floating exchange rate for foreign currency in Bolivia was made on 29 August by President Victor Paz Estenssoro's government, which also adopted the measures of reducing salaries, deregulating prices, denationalizing state companies, and allowing free imports of goods and services. However, these measures have already been rejected by the popular and labor sectors of Bolivia.

PLANNING MINISTER ANNOUNCES FOREIGN CREDITS

PY032259 Madrid EFE in Spanish 1542 GMT 3 Sep 85

[Text] La Paz, 3 Sep (EFE) -- The Bolivian Government is going to obtain $1 billion for development projects and $150 million freely available for other uses by the end of this year. Planning Minister Guillermo Bedregal has announced that the $1 billion will be obtained in credits from international organizations. The credits will be used for industrial and agroindustrial reactivation and agrarian reform, which will be implemented through the Agropower Plan. The government of President Hernan Siles Zuazo obtained over $800 million, but this money was never disbursed by the financial organizations because of the political and economic instability of the Siles administration.

The current administration has $150 million which will be available for any given use. This is part of the Argentine payment for Bolivian natural gas and loans from friendly governments, the details of which are not yet known. The $150 million will serve to maintain in operation the foreign currency pool created by the government for the free sale of U.S. currency and to satisfy the internal demands of productive sectors. The government believes that the $150 million will serve to meet dollar demands for over 3 months, hoping by that time the IMF will give Bolivia its financial support.

GOVERNMENT UNWILLING TO NEGOTIATE ECONOMIC POLICY

PY031427 Madrid EFE in Spanish 1423 GMT 3 Sep 85

[Excerpt] La Paz, 3 Sep (EFE) -- Bolivian Planning Minister Guillermo Bedregal Gutierrez has stated that President Victor Paz Estenssoro would step down rather than negotiate the new economic policy and foresake his determination to overcome the crisis. The minister issued this warning shortly before the national meeting of union leaders which the Bolivian Labor Federation [COB] had called for today. At the meeting, the COB might decide to call a strike to pressure the government into reviewing its economic plan which has been termed Pinochet-like.

Bedregal Gutierrez warned that the government will declare the COB strike illegal and will resort to legal measures to preserve internal peace and order. The planning minister, who is also the deputy chief of the Economy and Planning Council (Coneplan), urged the workers to agree to a social truce until the end of the year to prevent social confrontations. This government is not willing to be crucified as President Siles Zuazo's administration was. It will not yield its position on the crisis. This economic program has the support of the people who voted for Paz Estenssoro and it will not be subject to negotiations, Bedregal warned.

COB Leader Comments

PY032222 Paris AFP in Spanish 1738 GMT 3 Sep 85

[Text] La Paz, 3 Sep (AFP) -- Juan Lechin Oquendo, the highest leader of the Bolivian workers, today declared that it would be great if the government of Victor Paz Estenssoro quit. This declaration was prompted by a statement Planning Minister Guillermo Bedregal made that the government will step down if it cannot implement its new economic policy.

Under this new economic policy, the exchange rate of the Bolivian peso against the dollar has been floated, the free import of goods and services has been instituted, the oil and mining enterprises have been decentralized, salaries have been frozen, and the price of foodstuffs has been deregulated.

Lechin Oquendo clearly said that the workers will conscientiously adopt a decision at the general meeting that has been called for this afternoon by the Bolivian Labor Federation (COB). It has been learned that a general indefinite strike will very likely be approved at the meeting. The Bolivian Development Corporation (CBF) union and the National Smelting Enterprise (ENAF) union have already decided to strike. These two entities have been dissolved under the government's economic plan. Several departments in the interior are observing a 48-hour strike, and other sectors are awaiting the decision that will be adopted at the COB meeting in the coming hours.

Lechin Oquendo lastly stated that Paz Estenssoro has always tried to hinder the operation of the Bolivian Mining Corporation (Comibol) and that now, by ordering its decentralization, he is finally suceeding.

COB Votes To Strike

PY040215 Paris AFP in Spanish 2335 GMT 3 Sep 85

[Text] La Paz, 3 Sep (AFP) -- It was announced here today that during a national assembly of delegates, the Bolivian Labor Conferation (COB) decided to start a protest strike against the new economic policy of President Victor Paz Estenssoro's government. After listening to a report from the COB's Executive Committee and statements of unanimous rejection by delegates from all of Bolivia's union sectors, a vote was held to adopt the decision of paralyzing all labor activities for 48 hours, or indefinitely if the government does not positively answer its demands.

Edgar Ramirez, the delegate of the Trade Union Federation of Bolivian Mineworkers (FSTMB), after denouncing that the government's plan was drafted by eminent businessmen who are linked to international capitalism, indicated that labor and popular unity are now very necessary in order to reject the government's policy.

While the government is keeping the national police on a state of alert and the Armed Forces in their garrisons and considering the possibility of declaring a state of siege, the overall atmosphere is one of tension provoked by the clashes between the forces of order and protesting demonstrators.

Marches Staged

PY031427 La Paz Cadena Panamericana in Spanish 1130 GMT 3 Sep 85

[Excerpts] Thousands of Bolivian workers yesterday demanded an indefinite general strike during a protest march they staged around Government Palace in La Paz. The march, which was sponsored by the La Paz Departmental Labor Federation, was designed to protest the economic package enforced by the government on 29 August. The march was staged amid great social tension, while policemen looked on and military personnel were confined to barracks. Members of all unions participated in the march, which began at Plaza San Francisco. Similar protest marches were staged in other departments.

The workers focused their attacks on the IMF, accusing it of interfering in the Bolivian economic policy. They shouted: Death to President Victor Paz Estenssoro. They also charged the government with being reactionary and with being similar to that of former President Hugo Banzer Suarez.

The government has announced that the strike that could be declared today by the Bolivian Labor Federation [COB] would be illegal. When asked how the government could prevent a COB strike, Planning Minister Guillermo Bedregal said: We have the necessary instruments. He added: An indefinite general strike would be suicidal, and we Bolivians must not take such an insane action. He also gave assurances that the economic package formulated by this party, the Nationalist Revolutionary Movement, will be a success.

Armed Forces Commander General Simon Sejas Tordoya has announced that the military personnel who have been confined to barracks since 1 September will take the necessary action to safeguard public order only if the situation becomes unmanageable for the police.

Another peaceful demonstration was staged yesterday in Potosi. Workers, housewives, students, and miners converged yesterday on Plaza El Minero, waving placards and chanting slogans to voice their complete rejection of the government's economic program.

Strike Wave Reported

PY031515 [Editorial Report] In its regular 1130 GMT newscast on 3 September, La Paz Cadena Panamericana in Spanish reports that the following strikes are under way in Bolivia:

"Julio Roque, the main leader of the La Paz Rural Teachers Federation, has announced that effective today all rural teachers of La Paz Department will observe a 48-hour strike to protest the 29 August economic package." Panamericana adds that the urban teachers of La Paz Department today called a 24-hour strike "to protest the new economic package." The strike has been in force since midnight 2 September.

In a relay from Potosi, Panamericana also reports that the Potosi Departmental Labor Federation has called a 24-hour strike effective midnight 2 September. Panamericana also reports that "the oil workers of Cochabamba, Santa Cruz, and La Paz yesterday called a 48-hour strike "to protest the decentralization of the Bolivian Government Oil Deposits," and that oil workers of Chuquisaca Department also called a 24-hour strike effective today. Panamericana concludes by reporting that La Paz oil workers will supply fuel for private and government vehicles only until noon today.

MINISTER ON ARMY'S ROLE, PERSONNEL REVANCHISM

PY312327 Rio de Janeiro O GLOBO in Portuguese 26 Aug 85 p 2

[Interview with Army Minister General Leonidas Pires Goncalves after ceremony marking Soldier's Day on 25 Aug in Brasilia by unidentified reporter]

[Excerpts] [Reporter] What will be the role of the Army in Brazil?

[Pires Goncalves] In order to know the Army's role in the future we should read our republican constitutions which are nearly 100 years old and which repeatedly state the mission of the Armed Forces: "To defend the country and safeguard the constitutional powers, law, and order." This role, which is similar to that of the armed forces of other states, will surely remain valid for the Brazilian nation.

[Reporter] You have already expressed the main goals of your administration. Which ones are priority goals?

[Pires Goncalves] An Army, basically, is worth the value of its men; therefore, my attention will be directed to the Army members during my administration.

[Reporter] What is your opinion of the current role of information organizations? Information organizations normally play a fundamental role in any country. By means of their services, governments learn of events early. And they are able immediately to adopt proper measures to satisfy the people's demands.

[Pires Goncalves] Because democracy has a very vulnerable philosophy, the information organizations keep busy informing it about those who may try to attack it. As our country is experiencing democracy, the role of the information organizations could not be more important; therefore they must act within an ethical framework, obeying legal principles.

[Reporter] Could you tell us why the Army has still not created a female staff, as some other countries have, or as the military police have done?

[Pires Goncalves] The creation of a reserve auxiliary female service has been studied by our ministry for some time with the object of freeing other military personnel for operational activities. The studies carried out so far have in general demonstrated in what fields the help of women would be more appropriate. This project is being analyzed by the Army Joint Staff, which is studying its advantages and disadvantages and evaluating similar experiences in other Armed Forces.

[Reporter] Some military men, mainly from the Army, have been the target of systematic charges coming from certain sectors with the objective of harming their image and that of the Army. What do you think of this problem?

[Pires Goncalves] The Army is not afraid of these revanchist maneuvers. By definition, revanchism implies a political revenge; it is the consequence of a political and ideological confrontation. Nowadays, and among ourselves, that confrontation is buried under the law that granted the amnesty.

ARMY MINISTER SAID TO FAVOR BUILDING ATOMIC BOMB

PY022211 Madrid EFE in Spanish 1431 GMT 1 Sep 85

[Text] Brasilia, 1 Sep (EFE) -- Brazilian Army Minister General Leonidas Pires Goncalves has said in a meeting with important congressmen that Brazil ought to build an atomic bomb.

Tarcisio de Holanda, political editor of the newspaper CORREIO BRAZILIENSE, today published part of the geopolitical analysis made by the Army minister a week ago during a trip to Rio de Janeiro with a group of senators and deputies. The newspaper article states that Gen Pires Goncalves had asked for the congressmen's support, mainly for that of Ulysses Guimaraes, president of the Chamber of Deputies, so that Brazil could continue developing its nuclear industry until it can fully harness nuclear technology.

Minister Pires Goncalves revealed on that occasion that Brazilian intelligence services had learned of the intention of former Argentine President General Leopoldo Galtieri to invade Rio Grande do Sul and recover territory claimed by Argentina. Minister Pires Goncalves said that Argentina is Brazil's main regional competitor in the field of nuclear research because it has maintained a permanent nuclear policy over the last 25 years, according to the newspaper report. Minister Pires Goncalves told the congressmen that Brazil should develop its nuclear industry only for deterrence and to prevent the Brazilian Armed Forces from remaining at a disadvantage in case of a military conflict.

According to Pires Goncalves, Galtieri's government had the intention of solving not only the Malvinas conflict through military means, but also the Beagle conflict with Chile and the conflict over territories in Rio Grande do Sul. He stated that Argentina could deploy in a short time only 800,000 men, while Brazil could summon up to 2 million men in a month. The newspaper article states that the Argentine forces could penetrate 180 km inside Brazilian territory and stop at what Brazil calls the "B" Line in Rio Grande do Sul. Gen Pires Goncalves said that Brazil has an advantage in numbers and in quality. He said Brazil can deploy large numbers of men and it has an important military industry that includes the manufacture of missiles and airplanes.

Minister Pires Goncalves told the congressmen that there currently is no border problem with Argentina. However, he admitted that the current major problem is the presence of 300 Brazilians in the fertile Beni Valley in Bolivia, which could turn into a conflict area at any moment, the newspaper states. Gen Pires Goncalves has expressed satisfaction with the current status of diplomatic relations with Argentina, mainly after the installation of a civilian government there, and he is willing to strengthen ties with that government. Pires Goncalves has insisted that because of its technological development, Argentina might try out an atomic bomb at any time.

Ministry Denies Pires' Statement

PY030334 Paris AFP in Spanish 2243 GMT 2 Sep 85

[Text] Brasilia, 2 Sep (AFP) -- The Army Ministry today denied a press report that Army Minister General Leonidas Pires Goncalves supports the building of an atomic bomb to intimidate any potential aggressor. The report published by the Brazilian daily CORREIO BRAZILIENSE on 1 September said the Army Minister supported the building of an atomic bomb during a lecture before a group of Brazilian congressmen last month in Rio de Janeiro. In an official communique released tonight, the Army Ministry said that General Pires Goncalves never discussed during the meeting the issue reported by the newspaper.

The communique said that during the meeting, the minister had recalled that mastery over the entire nuclear fuel cycle does not necessarily lead to the manufacture of devices for military use, and that after that know-how has been obtained, the will of the nation and the political decision of the state will determine its application in the future. He also said Argentina had only been cited as an example of a country which has reached approximately the same technological development level as we have. It has maintained in recent years a commendable effort in the nuclear field, and made significant progress that had already been reported to the international community.

According to CORREO BRAZILIENSE, Gen Pires Goncalves told the congressmen that Argentina is already in a position to build an atomic bomb at any time, and that should it decide to do so, the Brazilian political leaders will have to apportion resources for the manufacture of an atomic bomb for the purpose of intimidating any potential aggressor. The newspaper report also indicated that the Army minister had said that Brazil is not afraid of a military aggression, but that it cannot afford to weaken its bargaining power if a neighbor such as Argentina should build an atomic bomb.

The communique released tonight by the Brazilian Army Ministry also said the ministry deplores that such a delicate question regarding relations with friendly countries had been sensationally treated by a newspaper.

LAUNCH CENTER AREA RESERVED FOR U.S. SHUTTLE

PY040112 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Aug 85 p 25

[Excerpts] "An area has been reserved in the blueprint for the construction of the Alcantara Launching Center for the operation of U.S. space shuttles. If the United States decides to set up a launching base in that area and makes a proposal that is economically favorable or scientifically interesting to facilitate the exchange of scientific knowledge, I believe the idea can be implemented."

This revelation was made yesterday in Sao Jose dos Campos, 97 km from Sao Paulo, by Colonel Jose Amando Varao Monteiro, 48, executive director of GICLA (Group for the Installation of the Alcantara Launching Center), at the Airspace Technical Center (CTA) when he was asked whether the Aeronautics Ministry is preparing preliminary studies for a bilateral agreement with NASA to use the Alcantara base as an alternative site for launching the Discovery space shuttle. He replied that up to now, "no official proposal has been made to us."

Colonel Varao Monteiro also said that Brazil has to think about its technological future, and thus the possibility of other countries using the Alcantara base is being left open.

The Alcantara Launching Center is programmed to begin operations with the launching of the VSL [Satellite Launching Vehicle] in 4 years. The base project is French and is closely patterned after the Kourou base in French Guiana.

The Brazilian space program is divided into two stages: the development of the VSL by the CTA under the Aeronautics Ministry, and the development of the satellites that will be launched by INPE (National Institute for Space Research) under the Science and Technology Ministry. The stage of the project under the Aeronautics Ministry, including the construction of the Alcantara Launching Center in Maranhao State, was budgeted at 42,995,000,000 cruzeiros in 1981, which is equivalent to 3 trillion cruzeiros today.

ALFARO LIVES GROUP TO CONTINUE KIDNAPPINGS

PA040241 Madrid EFE in Spanish 2229 GMT 3 Sep 85

[Text] Quito, 3 Sep (EFE) -- The guerrilla group Alfaro Lives today announced its decision to continue its struggle, and to kidnap prominent Ecuadoran oligarchs. This was announced in a communique in which the group explained its actions in the kidnapping of Ecuadorean banker Nahim Isaias.

The banker was kidnapped on 7 August in a joint action by the Alfaro Lives and Colombia's 19 April Movement (M-19) guerrilla groups; he died on Monday when a rescue operation launched by an Army special command failed. This rescue operation was directed by Ecuadoran President Leon Febres Cordero himself.

The communique, slipped under EFE's door, states that the oligarchy represents the basic element hindering the country's democratic life and it is, therefore, essential to confront and keep an eye on it.

After underscoring the good treatment given Isaias during the 25 days he remained in the hands of the group, the communique adds that against their wishes, other kidnappings will have to be committed because of the stubbornness of the current oligarchic ring that is destroying the country and that refuses to adopt measures that will help the people.

The communique accuses Leon Febres Cordero of having ordered the massacre of six Latin American combatants and Isaias' horrible death and considers that this is a means to repress all who disagree with the oligarchic whim turned into law.

In conclusion, the group underscores its peaceful nature and warns that it will not despair in the face of the creation of new police groups or amendments to the penal code because, as long as the problems of the people are not resolved, its organization will continue to exist. This statement was in reference to the creation of an antiterrorist police command and the drafting of a bill that will impose life sentences on kidnappers.

GOVERNMENT IMPLEMENTS MONETARY LAW AMENDMENTS

PA010443 Quito Voz de los Andes in Spanish 1130 GMT 30 Aug 85

[Text] Yesterday the government implemented amendments to the country's Monetary Law. The amendments include adjustments in the rates of interest, international monetary reserves, and the mechanisms for internal credit. The amendments were suggested by the organization that governs the monetary sector and approved by Ecuadorean President Leon Febres Cordero following investigations made by Congress commissions and approved by a Congress majority.

Basically, the government authorized the Monetary Junta to readjust the rates of interest in the [word indistinct] system and long term loans, and (?changes) in conventional interest rates.

This bill was included among 11 urgent proposals sent by the government to the Congress and which the parliamentarian commissions (?rejected).

BELIZE

BRITISH DEFENSE MINISTRY DELEGATION VISITS

FL310200 Belize City Domestic Service in English 0100 GMT 31 Aug 85

[Excerpt] A team from the British Ministry of Defense is presently in Belize on a 1-week visit to review future plannings in organization of the Belize Defense Force.

DELEGATION TO MEET WITH MEXICAN HEALTH SECRETARY

FL271808 Belize City Domestic Service in English 1300 GMT 27 Aug 85

[Text] A Mexican delegation headed by the Mexican Secretary of Health Dr Guillermo Soberon Acevedo is expected to meet this morning with the Belizean delegation including Belize's Minister of Health Mr Elodio Aragon.

The meeting will take place at the Don Quixote Hotel in the Corozal district. It (?is to discuss) the technical cooperation agreement between Mexico and Belize. Also present at the meeting will be the Governor of Quintano Roo Licenciado Pedro (Martin) Caldwell, the [words indistinct], and the director of the Pan American Health Organization, PAHO, Dr Carlyle Guerra de Macedo.

COSTA RICA

MONGE DENIES BLOCKING OF CONTADORA EFFORT

PA030203 San Jose Radio Reloj in Spanish 0100 GMT 3 Sep 85

[Text] Costa Rica has not blocked the Contadora process, President Monge has said. Not only has it not blocked nor made difficult the Contadora Group sessions, but Costa Rica has at all times offered support, he said. He reiterated that we have been the only country to fulfill all the requirements established by the Contadora Group, explaining that statements attributed to Colombian Foreign Minister Augusto Ramirez Ocampo must be investigated to see if they are correct.

According to international reports, the Colombian foreign minister said that Costa Rica is blocking the Contadora Group effort, by refusing to have dialogue with Nicaragua if the Sandinist regime does not first offer explanations regarding border incidents.

President Monge says that Costa Rica is not involved in any kind of war. In response to statements by Sandinist President Daniel Ortega to the effect that the verbal war against his country in Costa Rica must end, President Monge said: We are not making any kind of war, we are only defending ourselves from aggressions. To defend ourselves we must speak truths that may be uncomfortable for our neighbors, he said, reiterating that Costa Rica is subject to constant aggressions, and must defend itself.

The president did not wish to discuss the subject any further, because he said that Costa Rica is conducting no war whatsoever against Nicaragua or any other country.

MONGE SAYS NATIONAL SOVEREIGNTY TO BE DEFENDED

PA301405 San Jose Radio Reloj in Spanish 0120 GMT 30 Aug 85

[Excerpts] We will defend our sovereignty at all costs if we are attacked, Costa Rican President Luis Alberto Monge said during the ceremony to christen the Public Security Ministry's new air security building at San Jose's Juan Santamaria International Airport.

In the presence of Public Security Minister Benjamin Piza Carranza, Public Works Minister Hernan Azofeifa Viquez, and U.S. Ambassador Lewis Arthur Tambs, the president stressed: The fact that Costa Rica is unarmed and has no army does not mean that we will be trampled by those who possess the power of arms.

The president christened other improvements at the international airport, including a chapel, a departure hall for passengers of international flights, a restaurant, and the baggage check and customs section.

We are here to reaffirm that peace helps us attain all our goals, Monge said, and added: The Costa Rican people fully identify with the values of peace. Such a noble virtue has blessed us with innumerable benefits. There is not a single warplane, not even a light plane with guns in Costa Rica. However, many heads of state use the terms peace and disarmament liberally, but are content to openly invade the territory of third countries or purchase warplanes and helicopters with terrible destructive power.

The president spoke of those who condemn war in public while they concentrate their efforts on arming, organizing, planning the strategy of, and training armies. It is easy to be president [words indistinct] this masquerade is offensive, particularly because it is staged to the detriment of peace-loving nations. However, you [as heard] keep insisting on preparing for war instead of peace.

President Monge asserted: We want to continue inaugurating and modernizing civilian, not military airports, because this implies a true struggle for peace, freedom, and justice. This is the key to the genuine growth and development of peoples.

MONGE REITERATES GOVERNMENT'S REFUSAL TO TALK

PA311500 San Jose Radio Impacto in Spanish 1830 GMT 30 Aug 85

[Report by Gretel Tinoco]

[Excerpts] This morning Costa Rican President Luis Alberto Monge paid a courtesy visit to the Motorola of Central America Factory.

Following the visit we interviewed President Monge and asked him his opinion regarding former President Jose Figueres' trip with General Manuel Antonio Noriega, commander in chief of the Panamanian National Defense Forces, to the northern area of Costa Rica. President Monge said that former President Figueres has a very personal interest in this matter and that his trip is not an official one. President Monge said that even though Figueres and Noriega share the government's feelings that a dialogue must prevail among the Central American countries, Costa Rica will not hold a dialogue with Nicaragua as long as Nicaragua does not accept its responsibility for the attack on Las Crucitas. Monge was also asked about Nicaragua's refusal to give explanations to Costa Rica and he said that Nicaragua can only give Costa Rica an explanation when it accepts the fact that it has an internal conflict.

VICE PRESIDENT LEAVES ON SPECIAL TRADE MISSION

PA310310 San Jose Radio Reloj in Spanish 0100 GMT 30 Aug 85

[Text] Costa Rican Vice President Armando Arauz Aguilar began a tour of the Central American countries today as President Alberto Monge's special envoy. Businessmen (Ray Chavek) and Edmundo Gerli complete the official entourage. It was reported this afternoon that the vice president will meet with the heads of state of Guatemala, El Salvador, and Honduras and deliver a letter from President Monge.

Arauz Aguilar is the bearer of a proposal in connection with the socioeconomic problems the area is confronting and the need that the Central American governments advance urgent and joint actions to resolve them. In his proposal, President Monge points out to his Central American counterparts the drastic reduction of trade among the area's countries. Citing statistical data, the letter indicates that while in 1980 trade exchange among these countries totaled $1.2 billion, it is estimated that it will amount to no more than $700 million in 1985. It cites various problems that are affecting trade, including political instability, lack of security, economic problems, and problems regarding the payment of debts that the area countries owe one another. The letter focuses on the situation Costa Rica is experiencing as a result of the dire situation of trade exchange in the region, stating that approximately 150 businesses are facing collapse, threatening the job stability of some 5,000 Costa Rican industrial workers.

Luis Alberto Monge proposes in his letter that the heads of state of Guatemala, El Salvador, and Honduras come together in a committee to examine a document on the area's socioeconomic problems that Costa Rica has prepared. The document stresses the need to take immediate actions leading to the implementation of the new Central American tariff schedule, the speeding up of agreements on the handling of regional trade debts, the elimination of obstacles to trade and in the system of payments, and the activation of mechanisms that will make all these actions effective while attracting the support of the business and labor sectors.

With regard to international affairs, President Monge's proposal urges the adoption of joint actions before friendly governments to secure their support in dealing with the IMF. It sets forth the possibility that friendly governments will be asked to give the Central American countries financial assistance to help them cover the regional trade debts and ensure the success of the Jackson Plan for Central America. It proposes that the Central American countries work as a bloc at international organizations and that they develop bilateral and multilateral organizations to assure the rapid solution of the Central American countries' most urgent needs.

President Monge's message to his Central American counterparts reaffirms Costa Rica's hopes for the success of the Contadora Group's efforts to arrive at an overall solution to the area's social and political problems. Our peoples are anxious to see the return of the harmony that prevailed among the region's countries and that relations between all the Central American governments be normal and respectful. The president expresses his belief that in addition to the Contadora Group's peace-seeking efforts, actions must be initiated to resolve Central America's socioeconomic problems. He emphasizes that the Contadora Group and the OAS should guarantee respect for Costa Rica's sovereignty and peace, achieved through the work of many generations of Costa Ricans. He tells the leaders of Guatemala, Honduras, and El Salvador that the Costa Rican people feel that the inter-American legal system has abandoned Costa Rica to its own fate, basing this belief on the repeated aggressions staged by the Sandinist People's Army. Vice President Armando Arauz Aguilar and his accompanying delegation will conclude their visit on Saturday in Tegucigalpa.

Arrives in El Salvador

PA020417 San Jose Radio Impacto in Spanish 1830 GMT 31 Aug 85

[Text] Vice President Armando Arauz arrived in El Salvador today to meet with President Jose Napoleon Duarte and other high government officials. Official sources said that Arauz Aguilar will talk with the Salvadoran authorities concerning the trade between the two countries, and did not discard the possibility that the Central American political situation and the Contadora Group's peace efforts will be discussed. The vice president was welcomed by the Salvadoran Vice President and Foreign Minister Rodolfo Antonio Castillo Claramount but did not make a statement to the press. Arauz Aguilar came to El Salvador from Honduras.

COLONEL CALLS RECENT BORDER EVENTS CONFUSING

PA012335 San Jose Radio Reloj in Spanish 1330 GMT 1 Sep 85

[Text] Colonel Oscar Vidal, director of the Public Security Force, has said that because the latest border incidents occurred at night there is room for confusion. What Vidal has stated is related to what Captain Carlos Pacheco, the Atlantic region commander, has told the news media. Capt Pacheco has stated that Costa Rico does not know if last Tuesday's attack in Boca de San Carlos was carried out by the Sandinists, the counterrevolutionaries, or some other elements wanting to internationalize the situation. Col Vidal said the Public Security institution fully backs the new Atlantic region commander who is a member of the 1st battalion graduated from the Murcielago Military School. Col Vidal said Capt Pacheco has reported that Public Security can provide information about what is happening in the northern region but, he admitted, it is difficult to determine certain situations when events stake place at night.

EL SALVADOR

FRG TO GRANT $17.9 MILLION IN ECONOMIC AID

PA291528 Madrid EFE in Spanish 0427 GMT 29 Aug 85

[Text] Bonn, 28 Aug (EFE) -- Salvadoran Planning Minister Fidel Chavez Mena told EFE today that the Bonn government has granted El Salvador $50 million marks ($17.9 million) in new economic aid for the country's development. The economic aid agreement will be signed on Friday in the FRG Economic Cooperation Ministry. Chavez Mena, who is visiting Bonn at the invitation of the Konrad Adenauer Foundation linked to the Christian Democratic Union, CDU, will attend. This new aid will be used to improve agrarian reform and social projects in fields of health and education, and to promote cooperatives. The FRG executive also promised Chavez Mena that new lines of credit will be opened because it is believed that the Jose Napoleon Duarte government guarantees a policy of peace, respect for human rights, and social reforms.

GUATEMALA

MEJIA VICTORES INTERVIEWED ON CURRENT ISSUES

PA040014 Guatemale City Radio-Television Guatemala in Spanish 0300 GMT 2 Sep 85

[Interview given by Head of State General Oscar Mejia Victores to reporter Oscar Masaya at Polytechnic Institute in Guatemale City on 1 Sep -- recorded]

[Excerpts] [Masaya] What measures will your government take in face of the demands made by some government sectors for a wage increase?

[Mejia Victores] What government sectors?

[Masaya] The [name indistinct] and other government institutions.

[Mejia Victores] Well, all the government sectors are demanding wage increases in view of the current situation. The government is analyzing the country's economic situation to see where we can get these funds from after reducing the nation's budget by 100 million [currency not specified] based on recommendations made through the national dialogue. We do not have a crystal ball that will tell us how, except through the machine we all know. [sentence as heard]

[Masaya] General, there were several incidents during the past week, such as the burning of buses, protesting the new bus fares....

[Mejia Victores -- interrupting] We can expect many things to happen in Guatemala. We also hope that the sectors involved have understood the problem and that they will realize that we are not going to allow any actions that will endanger the citizens' peace.

[Masaya] Will the transportation fares be reduced?

[Mejia Victores] No, they will not be reduced. The problem is being analyzed. I imagine that the demand for a wage increase is precisely to counter this.

[Masaya] General, what could be done to solve the grave economic crisis affecting the country?

[Mejia Victores] We should all try to understand the problem and tighten our belts. There are those who ask others to tighten their belts, but they themselves do not tighten theirs.

[Masaya] General, there were rumors last week to the effect that one of your ministers -- Andrade Diaz-Duran -- had resigned his post. Is that true?

[Mejia Victores] No. As [name indistinct] a great Guatemalan journalist would say, they are just rumors. [Words indistinct] the cabinet is united, there is no problem at all. The same applies to the Army, which is a professional Army, and not an Army of mercenaries. Some have said that the Army is divided into three groups. Why would we be divided, if we are all for a common cause?

[Masaya] There have been strong criticisms against the government, in the sense that it has not taken drastic measures to solve the country's problems.

[Mejia Victores] What kind of measures do they recommend? They all recommend nonexistent, mistaken measures. Everybody gives advice, but when the time comes to make decisions, nobody does anything.

[Masaya] General, what about a possible increase in taxes, or new taxes?

[Mejia Victores] I do not think that this is the right time to increase taxes.

[Masaya] Some people believe that the democratization process is in danger at this time, if there are no [word indistinct] elections?

[Mejia Victores] This is a constant theme used by the politicians, when they are afraid, particularly those who are sure they will not win.

[Masaya] Will there be any changes in your cabinet before your term is over?

[Mejia Victores] I doubt it. It is unlikely that 2 months before the elections we would change a minister.

[Masaya] General, to conclude, General Benedicto Lucas has reportedly said that the Army is divided [words indistinct]. What is the current situation?

[Mejia Victores] I repeat that the Army is a professional institution. It is not divided into two or three groups. It is under one general commander, who at one time was Gen Lucas' younger brother, at another time it was General Rios, and now it is me. It is not true that there are three groups, because the Army is a permanent and emminently professional institution. It is not a mercenary army, which belongs to one, two, or three persons who at one time or another were its general commanders. Once I deliver the presidency to the constitutional president in January 1986, he will be the general commander of the Army, and the Army will respect him as such. However, it is true that the Armed Forces are divided into three groups, which are air, land, and sea. Maybe that is what Gen Lucas meant to say.

TROOPS DEPLOYED AROUND PRESIDENTIAL HOUSE

PA040350 Guatemala City Cadena de Emisoras Unidas in Spanish 2350 GMT 3 Sep 85

[Text] At 1630 today, more than 400 members of the presidential guard were deployed in combat gear around the National Palace and the Presidential House. Traffic was interrupted in that sector and people were asked to use other streets. The soldiers deployed around the National Palace and the Presidential House were ready to repel any attack along Sixth Street, Sixth Avenue, Seventh Avenue, and other streets from Third Street to Sixth Street. Meanwhile, the Model Platoon remained one block away in case of any incident. People, among them some students, observed the Army and police maneuvers.

In addition, thousands of demonstrators have literally surrounded the anti-riot police which are in Petapa Avenue, near 25th Street, [this area is not close to the National Palace] near the Anti-Alcoholic Center. Meanwhile, groups of students are harassing the security forces, which at this moment are between two rows of demonstrators. Also present are infant-carrying mothers protesting the high cost of living, in particular, products such as bread, milk, eggs, and city bus fares.

Further on Violent Outbreaks

PA040353 Paris AFP in Spanish 0309 GMT 4 Sep 85

[Text] Guatemala City, 3 Sep (AFP) -- New outbreaks of violence occurred tonight in various sectors of Guatemala City. Although no official reports have been released, there is information that numerous people have suffered gunshot wounds and that several vehicles have been burned by the demonstrators.

The protests against the increase in the cost of living increased after 2100, and the fire department reports disturbances in more than seven neighborhoods in the city outskirts. Despite the fact that the national police's anti-riot squad has dispersed several rallies, the demonstrators reorganize rapidly and show up in other places carrying out violent actions.

Several private vehicles were half destroyed and some of them, as well as a gasoline station located a few blocks from the university campus, were burned. The Army is patrolling several streets, but is refraining from intervening in the disturbances.

'Social Measures' To Be Taken

PA040401 Paris AFP in English 0348 GMT 4 Sep 85

[Text] Guatemala City, Sep 4 (AFP) -- The government plans to take "social measures" within the next 24 hours to ease the economic crisis and cool protests, an official source said here Tuesday. The source, who would not be named, said the government of General Oscar Mejia Victores was seeking "a sort of social contract" to defuse tension. The general has promised legislative elections two months from now, followed by civilian government.

Observers said possible measures could include wage increases, price controls, new taxes on luxury imports, and downward revision of urban transport fares, which were raised by 50 per cent last week. While cost-of-living pressure has led to widespread unrest, the increase from 10 cents to 15 cents in the cost of a city bus ticket was the detonator which brought marauding bands of students onto the streets in recent days. Anti-riot police struck back against the students Monday, arresting about 500 and wounding 25, two of whom died of their injuries Tuesday.

(Meanwhile, in Mexico City, the Commission for Justice and Peace in Guatemala, an ecumenical human rights movement, said Guatemalan security forces had "murdered" at least 578 civilians between November 1984 and April this year. Almost half the victims has been tortured, the group said, adding that figures were incomplete because of the difficulty in gathering information.)

STUDENTS DENY RESPONSIBILITY FOR VANDALISM

PA310321 Guatemala City Radio-Television Guatemala in Spanish 0300 GMT 30 Aug 85

[Communique issued by the High School Students Coordinating Board, CENM, (Coordinadora de Estudiantes del Nivel Medio), date not given, read by unidentified student -- recorded)

[Text] [Begin recording] 1. Marxist-Leninist individuals have infiltrated the movement of high school students with the intention of manipulating our thoughts as civic-minded students. The students' movement has no links with sectors not related to the high school level. We inform the government that we had nothing to do with the burning of buses, which was carried out by destablizing groups that are trying to interfere with the country's democratization process, with the aim of preventing the upcoming elections, so badly needed in the country.

Therefore:

1. We suggest that the government take the pertinent measures to stop these vandalic actions, which are undermining the movement organized by the CENM.

2. Authorities will have our support for the sanctioning of any student caught participating in vandalic actions, since the problem cannot be solved with the destruction of buses. We demand that the authorities release a number of students who were arrested this afternoon and who probably did not participate in any criminal actions. We demand respect for their physical integrity.

The CENM declares:

1. We oppose the increase in urban transportation fares. Considering that the economic situation in our homes is deficient, and that we, as students do not earn a salary, we do not have the means to withstand this increase. Our parents are tired of the current situation, which prevents more persons from improving their cultural level through education.

2. We oppose the increase in the price of staples considering that the deficiencies in the students' academic level are the result of poor nutrition due to the high prices of staples.

The CENM denies any responsibility in the recent vandalic incidents. [end recording]

ARMY ORDERED TO CONTROL STUDENT DISTURBANCES

PA040458 Paris AFP in Spanish 0446 GMT 4 Sep 85

[Text] Guatemala City 3 Sep (AFP) -- The Guatemalan Army was called out this evening to control the disturbances in Guatemala City. The Army occupied the university campus with more than 500 soldiers in an attempt to prevent new disorders. This is the first time something like this has occurred in 12 years. According to the Tele-Prensa newscast, tonight's disturbances have resulted in four victims and many injured throughout the country.

ANDRADE ON SUPPORT FOR REGIONAL PEACE EFFORTS

PA032127 Hamburg DPA in Spanish 1858 GMT 3 Sep 85

[Text] Guatemala City, 3 Sep (DPA) -- Guatemalan Foreign Minister Fernando Andrade told DPA today that Guatemala is willing to hold a dialogue with "all" Central Americans. He added that any effort to achieve Central American peace is supported by Guatemala, a country that maintains an "unwavering position" in this regard and that he believes that the Contadora Group is the Latin American forum to achieve that peace.

Foreign Minister Andrade confirmed that Guatemala will attend the new meeting of Central American and Contadora Group foreign ministers that will possibly be held in mid-September.

(Reports from Panama indicate that the meeting will be held on 13 Semptember. However, Venezuelan Foreign Minister Simon Alberto Consalvi, who was in Guatemala until yesterday, said that no date for that meeting has been agreed upon.)

Regarding a meeting of Central American foreign ministers with the exception of Nicaragua which will be held in San Jose, Costa Rica, [words indistinct] Deputy Minister Gustavo Santizo Galvez.

The Guatemalan foreign minister reiterated that Guatemala is willing to sit down to negotiate with "all" the countries that seek the path of Central American peace.

HONDURAS

SUAZO CORDOVA MEETS COSTA RICAN VICE PRESIDENT

PA311432 Panama City ACAN in Spanish 1832 GMT 30 Aug 85

[Text] Tegucigalpa, 30 Aug (ACAN-EFE) -- Costa Rican Vice President Armando Arauz said today in this capital, "I do not even want to think about the idea of a war in Central America." Arauz's statements to the press came after his meeting with Honduran President Roberto Suazo Cordova. Arauz arrived in Honduras this morning on an official visit, accompanied by Costa Rican Economy Minister Odalier Villalobos.

During his meeting with the Honduran president, Arauz discussed economic and trade issues of common interest. The Costa Rican vice president said they found that "many common initiatives can be adopted to improve the present situation." Government sources from both countries confirmed that the main reason for the meeting was economic, with the objective of ratifying agreements on trade conditions previously negotiated between representatives from the Central Banks of Honduras and Costa Rica.

Vice President Arauz stressed that no specific reference had been made to Nicaragua during the meeting. Nevertheless, Arauz told the Honduran press that relations between his country and Nicaragua have suffered ups and downs in the last few days, and explained that "Costa Rica applies a diplomacy based upon the declaration of neutrality expressed by President Luis Alberto Monge in November 1983."

"We do everything possible to safeguard peace, security, and democracy in Costa Rica, and although we admit that the region is experiencing a difficult period, we are trying to rescue the basic values of our country's society," Vice President Arauz added.

The ranking Costa Rican official said that he sees no need for the formation of a peace force in Central America. "I do not even know how it could be formed. What we must do is make joint efforts in goodwill to find a peaceful, democratic, and beneficial solution for the rest of our countries," the Costa Rican vice president explained.

Arauz refused to give an opinion on the internal situation in Nicaragua or the probable threat that the Sandinist government's attitude represents to peace in Central America. "It is not up to us to get involved, not even superficially, in Nicaragua's problems because that also is part of the neutrality policy we defend," Arauz said.

The official then described the problems that prevent a solution of the Central American crisis through the Contadora Group formed by Mexico, Panama, Colombia, and Venezuela as "multiple and complex because they involve areas such as security, politics, and socioeconomics -- all with very special characteristics."

Costa Rican Economy Minister Odalier Villalobos said that the trade situation between Honduras and his country is "normal" now, and he explained that he had arrived at agreements with his Honduran colleague Miguel Angel Maldonado. At the end of the meeting, Honduran Foreign Minister Edgard Paz Barnica announced that a meeting of foreign ministers from Costa Rica, Honduras, El Salvador, and possibly Guatemala scheduled to take place in Tegucigalpa next Tuesday to discuss problems related to the Contadora process, has been transferred to San Jose.

NICARAGUA

HUMBERTO ORTEGA EPS ANNIVERSARY SPEECH

PA022001 Managua Domestic Service in Spanish 1606 GMT 2 Sep 85

[Speech by Defense Minister Humberto Ortega on the occasion of the sixth anniversary of founding of the Sandinist People's Army; delivered at San Jacinto Farm -- live]

[Text] Brother soldiers, noncommissioned officers, officers, and chiefs of our war-seasoned ground, air, and sea forces; brothers of the infantry, artillery, and armored forces of the Sandinist People's Army [EPS] which today commemorates amid victories the 6th anniversary of its founding and 58th anniversary of the founding of the Army, defender of the national sovereignty, commanded by Augusto Cesar Sandino; heroic and dedicated brothers of the Patriotic Military Service; militia men and reservists; brother victims of the interventionist war; beloved mothers of the fallen in the sacred crusade for liberation; beloved mothers of the patriots who are currently mobilized at the battle fronts; Nicaraguan people:

The war of intervention launched and maintained by the current U.S. Administration against the free and independent Republic of Nicaragua, in which it attacks the Nicaraguan people, particularly its workers and peasants; the unjust war that dreams of overthrowing Nicaragua's legitimate revolutionary government is thrusting itself against the bayonets that the country's soldiers grip firmly to defend the national sovereignty. The national sovereignty is presently being transgressed by the Yankee war of intervention, which launches its mercenary forces of Somozists and turncoats like Calero, Bermudez, Robelo, Cruz, Chamorro, and Pastora from Honduras and Costa Rica.

The Yankee war of intervention has succeeded until now in imposing its policy of force in the region by deploying its interventionist military resources, including troops, aircraft, and Navy destroyers throughout Central America's lands and seas. It has disseminated throughout the area its terrorist CIA agents to completely isolate Nicaragua and continue its policy of blackmail and threats of direct intervention and to subordinate the Nicaraguan nation's dignity, reason, and Latin Americanist principles to the imperial whims of the same filibusters and Marines who staged bloody invasions of Nicaragua in the last and present centuries, but were unable to subdue it or make it capitulate.

The masses and the entire people expelled the last Yankee Marine, Anastasio Somoza from Nicaragua on 19 July 1979.

The war of intervention that organizes and launches mercenaries from abroad is being directed more unabashedly since the recent creation of the office for humanitarian aid that operates under the U.S. State Department by instructions of the U.S. presidency. However, in the same way that the people expelled Somoza, today the Sandinist troops continue to deal synchronized blows on the paladins of terror, subjecting them to an irreversible process of moral and operational decomposition that will allow the multiplicative impact of the military campaigns that will take place through the massive and popular mobilization of the Army. We are repelling the Yankee war of intervention by means of the current national, patriotic, and popular war. The imperialist plan has brought together those who will never share the interests of the humble. It was brought together with millions of dollars those who will never stand for independence, self-determination, patriotism, the pride of being Nicaraguan, free and honest citizens. The war of intervention has significantly aggravated the serious economic and social situation the people, particularly the humble, are experiencing.

The warmongers have succeeded in bringing together turncoat right-wing spokesmen and activists in support of the interventionist plans. Faced with the criminal plans and attacks of the Yankee war of intervention, we firmly raise our banner of liberty; we strengthen our commitment to overcome [vencer], mindful of the everlasting memory of Nicaragua's sons who fell defending the nation's sovereignty and the revolution; we redouble our mobilization to the battle fronts to end once and for all the tragic war imposed on us from abroad; we reinforce our military formations for the nation's defense in order to reject, to widen, stall, and overcome an imminent direct intervention from the Yankee Marines. To you warmongers, we reaffirm from this historical San Jacinto Farm, where over 100 years ago you felt the impact of our stones and shrapnel, that our commitment, and the Nicaraguan nation's desire to achieve peace with dignity will remain accompanied by our clear and strong conviction to not surrender.

We will not surrender before the dirty war policy, crimes, economic embargoes, blackmails, state terrorism, from which the U.S. peoples, and the peoples of the world will make you desist.

Onward with a steady stride! Onward youthful patriots of the military service, backbone of the Nicaraguan victory! Onward peasant militias within the border guard, self-defense, harrassment [acoso], and military campaign troops! Onward militiamen and reservists in the cities and fields, workers, artisans, professionals, students, Christians, men, and women, in the mass mobilization that will ensure a quick end to the war and the attainment of final victory! Onward everything and everyone towards the mercenaries' total defeat!

Free fatherland [crowd shouts: Or death!]

U.S. REPORT ON TIES WITH MIDEAST 'RADICALS' DENIED

PA040107 Managua Radio Sandino in Spanish 0000 GMT 4 Sep 85

[Text] Not having learned from its past experiences and failures to present the Sandinist people's revolution as an illegal and terrorist process, the U.S. Government has once again resorted to its old tricks. DPA reports that the U.S. State Department today issued a report on the alleged relations of the Sandinist government with radicals in the Middle East. The report repeats the worn-out statement that Nicaragua has close relations with the USSR and Cuba -- something that has never been denied -- and with other communist countries, and that it has ties with radical and terrorist groups in the Middle East. Ronald Reagan's government has accused Commander of the Revolution Tomas Borge of having trained at a base in Lebanon, as well as that Sandinist hero Patricio Arguello Ryan -- a name given to an enterprise in our country -- died during an assault on an airplane en route from Tel-Aviv to London.

As our listeners know, these charges are false, without grounds, and only seek to discredit our revolutionary process. However, these charges boomerang on the U.S. Government, the same government that Nicaragua has internationally proven to be a liar.

BULGARIA'S TANCHEV, DELEGATES VISIT, MEET LEADERS

Sign Agricultural Agreement

FL022338 Havana Domestic Service in Spanish 2300 GMT 2 Sep 85

[Text] The Bulgarian People's Agrarian Union and the National Association of Small Farmers, ANAP, have signed in Havana a cooperation protocol. The document was signed by Petur Tanchev, first deputy chairman of Bulgaria's State Council and secretary of the Bulgarian People's Agrarian Union, and Jose Ramirez Cruz, alternate member of the Communist Party of Cuba Politburo and ANAP president. The ceremony was attended by Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and Ministers. Also attending the ceremony were Agricultural Minister Adolfo Diaz and representatives from the parties, governments, and peasant organizations of Cuba and Bulgaria.

Meet Fidel Castro

FL031400 Havana Domestic Service in Spanish 1100 GMT 3 Sep 85

[Text] Commander in Chief Fidel Castro, party first secretary and president of the Councils of State and Ministers, met yesterday afternoon with Comrade Petur Tanchev, secretary general of the Bulgarian People's Agrarian Union and first deputy chairman of Bulgaria's Council of State. Tanchev headed a delegation that visited Cuba for several days. They were invited by the National Association of Small Farmers.

Depart Havana

FL030232 Havana Television Service in Spanish 0000 GMT 3 Sep 85

[Text] The Bulgarian People's Agrarian Union delegation left today from Havana headed by Petur Tanchev, vice president of the National Assembly of the People's Power and first deputy chairman of the Council of State of that European socialist country. Jose Ramirez Cruz, alternate Politburo member and president of ANAP, saw the delegation off at the Jose Marti International Airport. During their stay in Cuba, the delegation from the brother country visited the CPA [expansion unknown] Aleksandur Estamboliyski of the Placetas municipality where a bust of the antifacist Bulgarian fighter was unveiled.

JORGE RISQUET CONTINUES TOUR OF AFRICAN COUNTRIES

Meets Burkina Faso's Sankara

FL301228 Havana Television Service in Spanish 1100 GMT 30 Aug 85

[Text] Ouagadougou -- Chairman of the National Council of the Revolution Captain Thomas Sankara and Jorge Risquet Valdes, member of the Politburo and Secretariat of the Cuban Communist Party of the Central Committee, have conversed at length in the capital of Burkina Faso. Risquet traveled to Burkina Faso to give Sankara a personal message from Commander in Chief Fidel Castro, first secretary of the party and president of the Councils of State and Ministers of Cuba. Sankara sent greetings to Fidel and the Cuban people.

Meets Beninese President

FL311804 Havana Television Service in Spanish 1700 GMT 31 Aug 85

[Text] Mathieu Kerekou, president of the People's Republic of Benin and the Revolutionary Party, has met with Jorge Risquet Valdes, member of the Communist Party of Cuba Politburo and Secretariat. Risquet and the delegation he presides over arrived in Cotonu, political capital of the People's Republic of Benin, to deliver a message to that country's highest leader from Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers. Benin's chief of state sent the Cuban president, his people, party, and government, wishes for new success in the construction of socialism.

VALDES RECEIVES HO CHI MINH ORDER IN SRV

FL301646 Havana Domestic Service in Spanish 1600 GMT 30 Aug 85

[Text] Hanoi -- Commander of the Revolution Ramiro Valdes, member of the Communist Party of Cuba Politburo, was decorated with the Ho Chi Minh Order by Vietnam's Council of State. Chu Huy Man, member of the Vietnamese Communist Party Politburo, awarded the high distinction to the Cuban leader in a ceremony held yesterday in Hanoi. Ramiro Valdes, vice president of the Cuban Councils of State and Ministers and interior minister, arrived yesterday in Vietnam to attend the festivities celebrating the 40th anniversary of the national holiday of that brother country.

Order Awarded to Raul Castro

FL310058 Havana Television Service in Spanish 0000 GMT 31 Aug 85

[Text] The Council of State of the SRV has awarded the Ho Chi Minh Order to the second secretary of the Communist Party of Cuba and FAR minister, Army General Raul Castro.

The same order was bestowed on Commander of the Revolution Ramiro Valdes, Politburo member. The vice president of the Councils of State and Ministers of Cuba and interior minister, is in Vietnam to participate in the 40th anniversary of that country's national holiday commemorative festivities.

The order was also bestowed on the interior and national security minister from the Soviet Union and the GDR.

Valdes Departs Vietnam

FL032118 Havana Domestic Service in Spanish 2040 GMT 3 Sep 85

[Text] Commander of the Revolution Ramiro Valdes, Politburo member and minister of interior, left Vietnam for Cuba after heading the Cuban delegation to the festivities commemorating the 40th anniversary of the independence of Vietnam.

Ramiro Valdes was seen off at the Hanoi airport by Vietnamese Interior Minister Pham Hung and Cuban Ambassador to Vietnam Faure Chomon. During his visit to Vietnam, Ramiro Valdes was given the Ho Chi Minh Order.